

THE BANK OF NOVA SCOTIA

AUSTRALIA MODERN SLAVERY STATEMENT 2020

INTRODUCTION

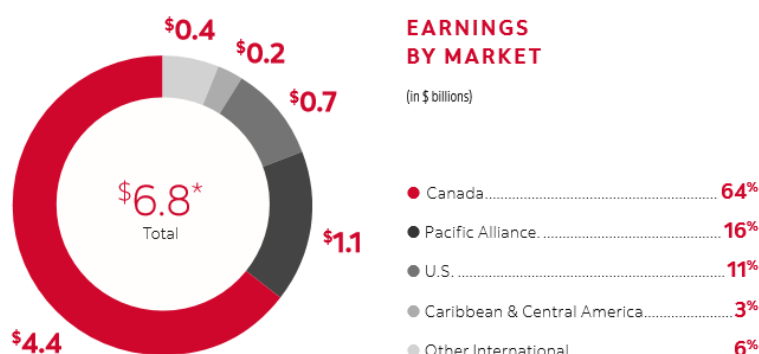
The Bank of Nova Scotia (“Scotiabank”) is a chartered bank under the *Bank Act* (Canada) and is regulated by the Office of the Superintendent of Financial Institutions, an independent agency of the Government of Canada.

Scotiabank is a reporting entity pursuant to the Australian *Modern Slavery Act 2018* (Cth) (“the Act”) by virtue of our consolidated revenue, that meets the statutory threshold and our operations in Australia via a branch in Sydney. This Modern Slavery Statement (“Statement”) is made in respect of the financial year ending 31 October 2020. References to “we”, “us” or “our” in this Statement refers to Scotiabank and our owned or controlled entities unless stated otherwise.

OUR STRUCTURE AND OPERATIONS

Guided by our purpose: “for every future,” we help our customers, their families and their communities achieve success through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets.

With assets of approximately \$1.1 trillion CAD (as at October 31, 2020), Scotiabank trades on the Toronto Stock Exchange (TSX: BNS) and New York Stock Exchange (NYSE: BNS). Scotiabank is headquartered at 44 King Street West Toronto M5H 1H1 Canada and has a global presence as depicted in the graph below:



Scotiabank has four business operating segments: Canadian Banking, International Banking, Global Wealth Management, and Global Banking and Markets.

Canadian Banking

Canadian Banking provides a full suite of financial advice and banking solutions to over 11 million Retail, Small Business and Commercial Banking customers. Scotiabank serves these customers through a network of 952 branches and 3,540 automated banking machines (ABMs), as well as online, mobile and telephone banking, and specialized sales teams. Canadian Banking also provides an alternative self-directed banking solution to over two million Tangerine Bank customers. Canadian Banking is comprised of the following areas:

- Retail banking provides financial advice and solutions along with day-to-day banking products, including debit cards, chequing accounts, credit cards, investments, mortgages, loans and related creditor insurance products to retail customers. Tangerine Bank provides day-to-day banking products, including chequing and saving accounts, credit cards, mortgages, loans and investments to self-directed customers.
- Business banking delivers advice and a full suite of lending, deposit, cash management and trade finance solutions to small, medium and large businesses, including automotive dealers and their customers to whom we provide retail automotive financing solutions.

International Banking

International Banking has a strong and diverse franchise with more than 10 million Retail, Corporate, and Commercial customers. We are served by a network of more than 1,400 branches, 5,200 ATMs and 22 contact centres. International Banking's geographical footprint includes the Pacific Alliance countries of Mexico, Colombia, Peru and Chile as well as Central America and the Caribbean.

Global Wealth Management

Global Wealth Management is focused on delivering comprehensive wealth management advice and solutions to clients across Scotiabank's footprint. Global Wealth Management serves over 1.5 million investment fund and advisory clients across 14 countries – managing over \$500 billion in assets.

Global Wealth Management is comprised of the following businesses:

- Advisory: Online brokerage (Scotia iTRADE), Mobile investment specialists (Scotiabank), Full-service brokerage (ScotiaMcLeod), Trust, Private Banking, Private Investment Counsel (Scotia Wealth Management and MD Financial Management)
- Product Manufacturing: Retail mutual funds (Scotia & Dynamic Funds), Exchange Traded Funds (Scotia & Dynamic Funds), Liquid Alternatives (Dynamic Funds), Institutional funds (Scotia & Jarislowsky Fraser)

Global Banking and Markets

Global Banking and Markets (GBM) provides corporate clients with lending and transaction services, investment banking advice and access to capital markets. GBM is a full-service

wholesale bank in the Americas, with operations in 21 countries, serving clients across Canada, the United States, Latin America, Europe and Asia-Pacific.

Our Workforce

Members of our global workforce perform a diverse range of job functions including: asset management, audit, anti-money laundering, internal controls, corporate security, economics, fraud, global banking & markets, global business payments, operations, public & government affairs, real estate, retail & small business banking, treasury, corporate support functions (legal, finance, information technology, human resources, procurement, communications), commercial banking, compliance, insurance, risk, and wealth management.

During 2020, over 90,000 employees worked across 2,618 branches and offices around the world. The breakdown of our workforce by employment contract/type, region and gender can be found on pages 10-11 of our 2020 ESG Reporting Indices.¹

Investments

Scotiabank has a number of investments in domestic and foreign subsidiaries located in markets across the Americas, Europe, and Asia Pacific. A list of our principal subsidiaries and non-controlling interests in subsidiaries can be found on page 231-2 of our 2020 Annual Report.²

Scotiabank also holds minority interest investments in various entities, the details of which can be found on page 210 of our 2020 Annual Report.

SYDNEY BRANCH

Scotiabank operates in Australia as a foreign registered company (ARBN 133 513 827), an APRA-regulated Authorised Deposit-Taking Institution (Foreign Bank ADI) and holds an Australian Financial Services License (AFSL 483575) ("Sydney Branch"). The Sydney Branch is located at Suite 2, Level 44 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000.

The Sydney Branch employs 14 full-time employees performing the following types of roles:

- Corporate Banking
- Debt Capital Markets
- Treasury
- Supported by Administrative, Operations/Finance, Risk and Compliance staff

The Sydney Branch markets and sells a range of banking products with the target market being large and mid-sized companies, banks, sovereign entities, supranational organisations and asset managers. Revenue of the Sydney Branch is generated through a range of corporate and investment banking and capital markets products. The Sydney Branch is organised into the

¹ https://www.scotiabank.com/content/dam/scotiabank/canada/en/documents/about/Scotiabank_Appendix_2020-ESG-Reporting_Indices_Final.pdf

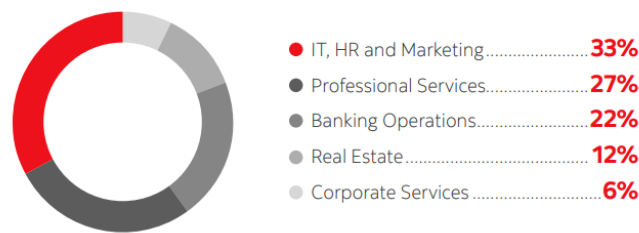
² https://www.scotiabank.com/content/dam/scotiabank/corporate/quarterly-reports/2020/q4/BNS_Annual_Report_2020.pdf

following business lines: Corporate Banking, Global Business Payments, Global Capital Markets, and Group Treasury.

OUR SUPPLY CHAIN

As an international bank, Scotiabank partners with approximately 20,000 suppliers globally and procured goods and services totalling \$5.9 billion CAD in 2020. The main categories of spend are depicted in the graph below:

SCOTIABANK'S SUPPLIER SPEND
BY CATEGORY



The Sydney Branch relies on the provision of services from a number of internal and external suppliers, including, but not limited to cleaning, telecommunications, payroll, and financial and regulatory reporting. Our external suppliers are predominantly engaged at a global level, but Sydney Branch also has a number of unique suppliers, which do not contract with other branches. This includes administrative services such as photocopier services, maintenance of indoor plants, and phone services.

MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

The nature of our business means that our global workforce consists largely of skilled, tertiary qualified and experienced individuals. We recognise that there are modern slavery risks associated with having operations in countries that have been ranked by the Global Slavery Index as having a higher prevalence of modern slavery. However, in consideration of our skilled workforce, together with robust human resources policies and procedures in place, we consider the overall risk that our business has caused or contributed to modern slavery in respect of our workforce to be low.

We recognise that our operations may be indirectly linked to risks of modern slavery as a result of our business activities, including via our investments and customer activities. Other risks of modern slavery may exist in the later tiers of the supply chain supporting the provision of certain product categories, such as technology hardware and other office equipment, furniture, utilities, uniforms, merchandise, and consumables. In addition, there may be potential risks of modern slavery in procurement of services from third-party vendor industries such as cleaning, property maintenance, security, food services, transportation services, courier services and accommodation. The risk of modern slavery in these industries may be intensified in countries with a higher prevalence of modern slavery.

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Scotiabank seeks to act ethically and with integrity in all our business relationships. Scotiabank recognises the importance of combating slavery and human trafficking and has zero tolerance for modern slavery or human trafficking in our supply chains or in any part of our businesses and has put in place systems and controls to seek to safeguard against this. In 2020, we commissioned an external review of policies and processes to affirm this important human rights commitment and regulatory requirement.

CODE OF CONDUCT

Our [Code of Conduct](#) (“Code”) outlines our rules and expectations regarding proper business conduct and ethical behaviour of our directors, officers and employees and our subsidiaries. The Code’s principles include the requirement to avoid a conflict of interest, to conduct oneself honestly and with integrity and to treat everyone fairly, equitably and professionally including customers, suppliers or service providers and employees. It is Scotiabank policy to require all employees and directors of Scotiabank, and of our subsidiaries, to provide annual written attestation of their compliance with the Code of Conduct.

HUMAN RIGHTS STATEMENT

Our Human Rights Statement applies globally and sets out our commitments to respect human rights according to the framework established by the United Nations Guiding Principles on Business and Human Rights. The Statement reinforces our human rights commitment to our workforce, as a financial services provider, as a business partner, and our commitment to the communities in which we operate.

Scotiabank continues to review and improve internal processes impacting human rights as set out in our [Human Rights Statement](#). Building on a human rights assessment completed in 2016, we initiated a new assessment in 2020 to evaluate progress against our 2017-2020 priorities. This process involved internal and external stakeholder engagement to identify new and emerging issues and further address our most salient human rights impacts, risks, and opportunities. As part of our risk management program, we undertake due diligence procedures on new customers and direct suppliers, which are designed to identify and mitigate risk. Over the 2021 financial year and moving forward, we will continue to review and refine these procedures.

EMPLOYEES AND RECRUITMENT

As part of our efforts to fulfil our commitment to respect the human rights of our workforce, we draw upon a wide variety of internal guides, policies and governance documents which include, but are not limited to:

- Code of Conduct
- Human Rights Policy
- Global Inclusion Strategy
- Global Harassment Policy
- Global Principles on Non-Discrimination in the Workplace

- Local Workplace Accessibility and Accommodation Policies, as applicable
- Inclusive Workplace Guides
- Global Principles on HIV-AIDS and Other Life-Threatening Illnesses

All new employees undergo checks to verify rights to work in the applicable jurisdiction and our human resources professionals ensure that remuneration and benefits frameworks are compliant with legal obligations in the countries in which we operate.

Human rights are integrated into our annual Global Mandatory Learning program for all employees. In 2020, over 78,000 hours of training related to human rights topics, including but not limited to accessibility, safety, diversity and inclusion, and the Code of Conduct were completed.

INVESTMENTS

Scotiabank's wealth management and asset management businesses are committed to responsible investing. Incorporating ESG factors into investment processes helps enhance returns and manage risks, allowing us to better deliver on our commitment to clients. Scotiabank Global Wealth Management's three major asset managers and wholly owned subsidiaries of Scotiabank, 1832 Asset Management, Jarislowsky Fraser and MD Financial Management (MD), have each adopted Responsible/Sustainable Investment Policies and are all signatories to the Principles for Responsible Investment.

SCREENING OF CUSTOMERS

We have no tolerance for our products and services to be used in the furtherance of illicit activity and are committed to ensuring regulatory compliance and that activities are conducted with integrity and respect for ethical and social responsibilities.

For new customers, sanctions screening tools are used as part of the customer due diligence process. Global Banking and Markets (GBM) also conducts negative news searches on all clients. Existing customers are similarly screened periodically as well. The GBM customer onboarding teams and management committees are involved in this process.

Scotiabank is a signatory to the Equator Principles, a set of internationally recognised, voluntary guidelines that establish standards in the banking industry for determining, assessing, managing and reporting environmental and social risks and impacts in projects. As a signatory, Scotiabank complies with the requirements of the Equator Principles for all Project Finance Loans. This can include consideration of issues such as forced labour and child labour.

FINANCIAL CRIMES AND ANTI-MONEY LAUNDERING

Scotiabank has no appetite to allow its products or services to be used to facilitate money laundering, terrorist financing, human trafficking, or any activity that is prohibited by laws and regulations including sanctions. Financial Crimes Risk Management ("FCRM") has the mandate and primary responsibility for the design and operation of the global [Anti Money Laundering \("AML"\) program](#) and its key functions which include economic sanctions, policy and standards, customer onboarding, AML partnerships, and overseeing AML change/project management.

The AML program, managed under Scotiabank's Three Lines of Defence risk governance framework, is reasonably designed to achieve compliance with both our legal and ethical obligations to deter and detect financial crimes.

All employees are required to complete an annual Global Mandatory Learning Program which includes courses on Anti-Money Laundering.

ENGAGING WITH SUPPLIERS

Our global Third-Party Risk Management ("TPRM") Policy sets out the principles, processes, and standards to be applied when Scotiabank enters into a third-party contractual arrangement.

In cooperation with the Third-Party Risk Oversight team in Asia Pacific, the Sydney Branch team coordinates and implements the Third-Party Risk Management Policy and framework at the Sydney Branch, to manage internal and external third party providers of services and outsourced activities, in line with the Scotiabank Global TPRM Program. Contracts are assessed for risks and approved in the Coupa Risk Assess and Icertis Contract Management systems.

Scotiabank has supplier due diligence requirements both at the outset and during the life of a contract. These requirements consider the reputational risk of the activities being outsourced, or service being purchased, which includes compliance by the supplier with applicable laws and regulations.

Our [Supplier Code of Conduct](#) ("Supplier Code") sets expectations for all current and prospective suppliers related to ethical and responsible business conduct, human rights and environmental stewardship. It includes provisions on modern slavery and human trafficking. Required supplier adherence to the Supplier Code is mandated in the standard Master Service agreement (MSA), as well as in Request for Proposals (RFPs). The Supplier Code was updated and strengthened in 2020 and will be reviewed and updated again in 2022 in line with our regular two-year review cycle.

In 2020, we developed new Know Your Supplier assessment questionnaires to evaluate supplier employment practices in the area of human rights; implementation began in 2021. The questionnaire seeks information on the countries of operation of any subcontractors, suppliers' employee turnover rate, and if there have been any significant investigations, fines or penalties related to child labour/human trafficking, labour standards and health and safety.

REMIEDIATION

Our [Whistleblower Policy](#) is global in its application, is reviewed annually and sets out the channels through which employees can raise a concern to ensure that matters are reported and addressed. The Whistleblower Policy, as part of the larger Raise a Concern framework, enables employees to raise concerns through a confidential and anonymous channel and provides the framework for how the independent and objective Whistleblower Program within the Audit Department will receive, assess, investigate and resolve concerns, particularly when those concerns constitute wrongdoing. Employees are encouraged to report issues of concern, including human rights related concerns.

Scotiabank has established a mechanism for confidential and anonymous submission of reports through an independent third-party. A hotline and a website (Scotiabank.EthicsPoint.com) are both accessible 24 hours a day, 7 days a week in all countries in which we operate.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Oversight of our environmental and social impacts is a shared responsibility of management and the Board of Directors. The Corporate Governance Committee of the Board has oversight of our ESG strategy and acts in an advisory capacity through a continuing assessment of Scotiabank's approach to corporate governance and makes policy recommendations, including on topics such as human rights.

We assess the effectiveness of our actions in subsequent reporting periods in conjunction with internal and external stakeholders to report on year-to-year progress in Scotiabank's capability to respond to modern slavery risks in our operations and supply chain.

Examples of activities we may use to assess the effectiveness of our actions include:

- Enhancing supplier management via the Know Your Supplier questionnaire, introduced in 2021
- Ongoing monitoring of reports received relating to modern slavery claims made via our reporting channels as noted
- Identifying new and emerging issues by engaging with our internal and external stakeholders
- Sharing best practices, challenges, and lessons with the members of Business for Social Responsibility's Human Rights Working Group

PROCESS OF CONSULTATION

Various business lines and functions within Scotiabank were consulted in the drafting of this Statement, including: Global Banking and Markets (GBM), Legal, Compliance, Communications, Social Impact & Sustainability, Global Procurement Services (GPS), Financial Crimes Risk Management (FCRM), Third-Party Risk Management (TPRM), and Global Risk Management (GRM). These groups have global mandates, which includes the subsidiaries to which this Statement applies. Accordingly, these internal stakeholders provided input in relation to Scotiabank and its wholly owned or controlled subsidiaries.

OTHER RELEVANT INFORMATION

Scotiabank is involved in several Canadian and global partnerships to combat human trafficking. One such initiative is Project Protect, where Canada's major banks joined forces to develop a comprehensive list of indicators to assist financial institutions with reporting requirements to the Government of Canada's financial intelligence unit in identifying financial transactions and patterns of activities related to human trafficking that may give rise to suspicions of money laundering.

Another initiative is the Financial Access Program, which helps survivors of human trafficking in Canada (re-)establish their financial identities. The program expands on a pilot project with

Finance Against Slavery and Trafficking (FAST), a multi-stakeholder initiative based at the United Nations University Centre for Policy Research that works to mobilize the financial sector against modern slavery and human trafficking. Scotiabank's Financial Access Program is Canada's first referral system linking survivors to financial services through a network of non-government organizations (NGOs) across the country. The program includes a custom package of financial products, financial literacy guidance and specially developed human trafficking awareness and trauma sensitivity training for select Scotiabank Advisors.

In 2020 Project Shadow was launched. It is a public-private partnership initiative co-led by Scotiabank and the Canadian Centre for Child Protection to combat online child exploitation. The objective of the project is to improve the collective understanding of the threat, and to improve the detection of the facilitation and laundering of the proceeds from online child sexual exploitation.

APPROVAL & SIGNATURE

This Statement was approved by the principal governing body of Scotiabank as defined by the *Modern Slavery Act 2018 (Cth)* on October 20, 2021.

Signed

A handwritten signature in black ink, appearing to read 'A. Regent', with a long horizontal stroke extending to the right.

Aaron Regent

Director

The Bank of Nova Scotia

Statement Annexure

	Mandatory criteria	Page number/s
a)	Identify the reporting entity	1
b)	Describe the reporting entity's structure, operations and supply chains.	1-4
c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	4
d)	Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	5-7
e)	Describe how the reporting entity assesses the effectiveness of these actions.	8
f)	Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	8
g)	Any other information that the reporting entity, or the entity giving the statement, considers relevant.	8-9